C O P

September 17, 1957

Dear Jim:

Subject: IAC Annual Report to the National Security Council on the Status of the Foreign Intelligence Program

Each year, as of June 30, a number of the Council agencies render to the National Security Council, Status of Program Reports. In the case of the Foreign Intelligence Program, the Status of Program Report is prepared by the Intelligence Advisory Committee.

I understand that your Board has been furnished with a copy of the IAC Annual Report on the Status of the Foreign Intelligence Program for the Fiscal Year ended June 30, 1957. The Planning Board discussed this Report, and other Status Reports, at its meeting this morning.

In the light of the work which your Board is carrying out on behalf of the President with respect to the Foreign Intelligence Program, perhaps it would wish to express views on this IAC Report: whether it concurs in, or in some respects does not agree with, the IAC assessment.

If your Board cares to make any comments of this kind or comments pointing up areas of the Report which your Board thinks should be amplified or receive additional attention, such comments could be summarised for the Council when the Status Report is presented in the middle of October. Necessarily, such comments have to be concise and relatively brief because of the number of the Status Reports which are involved.

Of course your Board may prefer to handle this matter in a different way. Whatever you decide will be entirely agreeable.

Sincerely yours,

/S/
Robert Cutler
Special Assistant
to the President

Dr. James R. Killian, Jr., Chairman The President's Board of Consultants on Foreign Intelligence Activities Executive Office Building Washington, D. C.

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28 September 1957

General Robert Cutler
Special Assistant to the President
for National Security Affairs
Room 374-A Executive Office Building
Washington, D. C.

Dear Bobby:

This is in response to your 17 September letter inviting the President's Board of Consultants on Foreign Intelligence Activities to comment, if it felt appropriate, on the Intelligence Report prepared for the National Security Council in response to its request of 16 July.

While we have not had the opportunity within the time available to us to make a searching study of this report, we do have some reactions that may be of value to you. Let me summarize them as follows:

I. In our judgment, this annual report would be more useful if it were in the form of a report from the Director of Central Intelligence wherein he would speak both in his role as Director of Central Intelligence and in his role as Head of the Central Intelligence Agency. We believe it would be appropriate for him to report annually and formally on (1) the status of the intelligence system, relating its performance to paragraph 49 of NSC paper 5707/8 with separate sections of the report devoted to each of the 3 areas of intelligence interests listed therein, and (2) his performance of the main task assigned to him by the applicable sections of the National Security Act and the relevant provisions of NSCIDS.

It is further the view of the Board that such an annual report might provide an annual means for the transmittal of advice and recommendations concerning the direction and coordination of the intelligence activities of the government in accord with responsibilities

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allotted to the Director of Central Intelligence by the National Security Act.

The report as we conceive of it should contain information on the annual cost of the government's total intelligence program and on the personnel required by this program. It should also indicate the budgets and personnel required by the major parts of the program. We have been impressed in the course of our own studies by the lack of consolidated information in government on the expenditures involved in our total intelligence operations.

Those parts of the report which discuss the performance of our intelligence organization and the substantive material being produced indicate both strength and weaknesses in our national intelligence program. We feel, however, that many of the statements made require fuller explanation and interpretation than are included in the report. The staff of our Board has made a list of a number of items where we feel misinterpretations are possible unless some of the limiting conditions are made clear to the readers. These illustrative examples are available to you and your staff if you would like them.

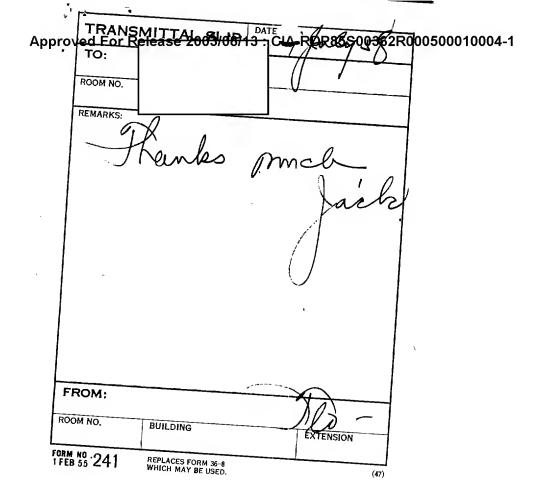
In conclusion we suggest that the usefulness of this annual report would be enhanced if it represented the critical and interpretative views of the Director of Central Intelligence in regard to the performance of our intelligence system and the quality of the intelligence it is yielding.

Sincerely yours,

James R. Killian, Jr. Chairman

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